

By: Senator(s) McLendon

To: Finance

SENATE BILL NO. 2190

1 AN ACT TO AMEND SECTION 27-31-1, MISSISSIPPI CODE OF 1972, TO
 2 EXEMPT FROM ALL MUNICIPAL AD VALOREM TAXES ALL REAL PROPERTY
 3 LOCATED IN AN AREA ANNEXED BY A MUNICIPALITY, FOR A PERIOD OF 12
 4 MONTHS AFTER THE DATE OF ANNEXATION; TO AMEND SECTION 27-51-41,
 5 MISSISSIPPI CODE OF 1972, TO EXEMPT FROM ALL MUNICIPAL AD VALOREM
 6 TAXES ALL MOTOR VEHICLES REGISTERED TO AN ADDRESS IN AN AREA
 7 ANNEXED BY A MUNICIPALITY, FOR A PERIOD OF 12 MONTHS AFTER THE
 8 DATE OF ANNEXATION; AND FOR RELATED PURPOSES.

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

10 **SECTION 1.** Section 27-31-1, Mississippi Code of 1972, is
 11 amended as follows:

12 27-31-1. The following shall be exempt from taxation:

13 (a) All cemeteries used exclusively for burial
 14 purposes.

15 (b) All property, real or personal, belonging to the
 16 State of Mississippi or any of its political subdivisions, except
 17 property of a municipality not being used for a proper municipal
 18 purpose and located outside the county or counties in which such
 19 municipality is located. A proper municipal purpose within the
 20 meaning of this section shall be any authorized governmental or
 21 corporate function of a municipality.



22 (c) All property, real or personal, owned by units of
23 the Mississippi National Guard, or title to which is vested in
24 trustees for the benefit of any unit of the Mississippi National
25 Guard; provided such property is used exclusively for such unit,
26 or for public purposes, and not for profit.

27 (d) All property, real or personal, belonging to any
28 religious society, or ecclesiastical body, or any congregation
29 thereof, or to any charitable society, or to any historical or
30 patriotic association or society, or to any garden or pilgrimage
31 club or association and used exclusively for such society or
32 association and not for profit; not exceeding, however, the amount
33 of land which such association or society may own as provided in
34 Section 79-11-33. All property, real or personal, belonging to
35 any rural waterworks system or rural sewage disposal system
36 incorporated under the provisions of Section 79-11-1. All
37 property, real or personal, belonging to any college or
38 institution for the education of youths, used directly and
39 exclusively for such purposes, provided that no such college or
40 institution for the education of youths shall have exempt from
41 taxation more than six hundred forty (640) acres of land;
42 provided, however, this exemption shall not apply to commercial
43 schools and colleges or trade institutions or schools where the
44 profits of same inure to individuals, associations or
45 corporations. All property, real or personal, belonging to an
46 individual, institution or corporation and used for the operation



47 of a grammar school, junior high school, high school or military
48 school. All property, real or personal, owned and occupied by a
49 fraternal and benevolent organization, when used by such
50 organization, and from which no rentals or other profits accrue to
51 the organization, but any part rented or from which revenue is
52 received shall be taxed.

53 (e) All property, real or personal, held and occupied
54 by trustees of public schools, and school lands of the respective
55 townships for the use of public schools, and all property kept in
56 storage for the convenience and benefit of the State of
57 Mississippi in warehouses owned or leased by the State of
58 Mississippi, wherein said property is to be sold by the Alcoholic
59 Beverage Control Division of the Department of Revenue of the
60 State of Mississippi.

61 (f) All property, real or personal, whether belonging
62 to religious or charitable or benevolent organizations, which is
63 used for hospital purposes, and nurses' homes where a part
64 thereof, and which maintain one or more charity wards that are for
65 charity patients, and where all the income from said hospitals and
66 nurses' homes is used entirely for the purposes thereof and no
67 part of the same for profit.

68 (g) The wearing apparel of every person; and also
69 jewelry and watches kept by the owner for personal use to the
70 extent of One Hundred Dollars (\$100.00) in value for each owner.

71 (h) Provisions on hand for family consumption.



72 (i) All farm products grown in this state for a period
73 of two (2) years after they are harvested, when in the possession
74 of or the title to which is in the producer, except the tax of
75 one-fifth of one percent (1/5 of 1%) per pound on lint cotton now
76 levied by the Board of Commissioners of the Mississippi Levee
77 District; and lint cotton for five (5) years, and cottonseed,
78 soybeans, oats, rice and wheat for one (1) year regardless of
79 ownership.

80 (j) All guns and pistols kept by the owner for private
81 use.

82 (k) All poultry in the hands of the producer.

83 (l) Household furniture, including all articles kept in
84 the home by the owner for his own personal or family use; but this
85 shall not apply to hotels, rooming houses or rented or leased
86 apartments.

87 (m) All cattle and oxen.

88 (n) All sheep, goats and hogs.

89 (o) All horses, mules and asses.

90 (p) Farming tools, implements and machinery, when used
91 exclusively in the cultivation or harvesting of crops or timber.

92 (q) All property of agricultural and mechanical
93 associations and fairs used for promoting their objects, and where
94 no part of the proceeds is used for profit.

95 (r) The libraries of all persons.



96 (s) All pictures and works of art, not kept for or
97 offered for sale as merchandise.

98 (t) The tools of any mechanic necessary for carrying on
99 his trade.

100 (u) All state, county, municipal, levee, drainage and
101 all school bonds or other governmental obligations, and all bonds
102 and/or evidences of debts issued by any church or church
103 organization in this state, and all notes and evidences of
104 indebtedness which bear a rate of interest not greater than the
105 maximum rate per annum applicable under the law; and all money
106 loaned at a rate of interest not exceeding the maximum rate per
107 annum applicable under the law; and all stock in or bonds of
108 foreign corporations or associations shall be exempt from all ad
109 valorem taxes.

110 (v) All lands and other property situated or located
111 between the Mississippi River and the levee shall be exempt from
112 the payment of any and all road taxes levied or assessed under any
113 road laws of this state.

114 (w) Any and all money on deposit in either national
115 banks, state banks or trust companies, on open account, savings
116 account or time deposit.

117 (x) All wagons, carts, drays, carriages and other
118 horse-drawn vehicles, kept for the use of the owner.



119 (y) (i) Boats, seines and fishing equipment used in
120 fishing and shrimping operations and in the taking or catching of
121 oysters.

122 (ii) All towboats, tugboats and barges documented
123 under the laws of the United States, except watercraft of every
124 kind and character used in connection with gaming operations.

125 (z) (i) All materials used in the construction and/or
126 conversion of vessels in this state;

127 (ii) Vessels while under construction and/or
128 conversion;

129 (iii) Vessels while in the possession of the
130 manufacturer, builder or converter, for a period of twelve (12)
131 months after completion of construction and/or conversion;
132 however, the twelve-month limitation shall not apply to:

133 1. Vessels used for the exploration for, or
134 production of, oil, gas and other minerals offshore outside the
135 boundaries of this state; or

136 2. Vessels that were used for the exploration
137 for, or production of, oil, gas and other minerals that are
138 converted to a new service for use outside the boundaries of this
139 state;

140 (iv) 1. In order for a vessel described in
141 subparagraph (iii) of this paragraph (z) to be exempt for a period
142 of more than twelve (12) months, the vessel must:



143 a. Be operating or operable, generating
144 or capable of generating its own power or connected to some other
145 power source, and not removed from the service or use for which
146 manufactured or to which converted; and

147 b. The manufacturer, builder, converter
148 or other entity possessing the vessel must be in compliance with
149 any lease or other agreement with any applicable port authority or
150 other entity regarding the vessel and in compliance with all
151 applicable tax laws of this state and applicable federal tax laws.

152 2. A vessel exempt from taxation under
153 subparagraph (iii) of this paragraph (z) may not be exempt for a
154 period of more than three (3) years unless the board of
155 supervisors of the county and/or governing authorities of the
156 municipality, as the case may be, in which the vessel would
157 otherwise be taxable adopts a resolution or ordinance authorizing
158 the extension of the exemption and setting a maximum period for
159 the exemption.

160 (v) As used in this paragraph (z), the term
161 "vessel" includes ships, offshore drilling equipment, dry docks,
162 boats and barges, except watercraft of every kind and character
163 used in connection with gaming operations.

164 (aa) Sixty-six and two-thirds percent (66-2/3%) of
165 nuclear fuel and reprocessed, recycled or residual nuclear fuel
166 by-products, fissionable or otherwise, used or to be used in



167 generation of electricity by persons defined as public utilities
168 in Section 77-3-3.

169 (bb) All growing nursery stock.

170 (cc) A semitrailer used in interstate commerce.

171 (dd) All property, real or personal, used exclusively
172 for the housing of and provision of services to elderly persons,
173 disabled persons, mentally impaired persons or as a nursing home,
174 which is owned, operated and managed by a not-for-profit
175 corporation, qualified under Section 501(c)(3) of the Internal
176 Revenue Code, whose membership or governing body is appointed or
177 confirmed by a religious society or ecclesiastical body or any
178 congregation thereof.

179 (ee) All vessels while in the hands of bona fide
180 dealers as merchandise and which are not being operated upon the
181 waters of this state shall be exempt from ad valorem taxes. As
182 used in this paragraph, the terms "vessel" and "waters of this
183 state" shall have the meaning ascribed to such terms in Section
184 59-21-3.

185 (ff) All property, real or personal, owned by a
186 nonprofit organization that: (i) is qualified as tax exempt under
187 Section 501(c)(4) of the Internal Revenue Code of 1986, as
188 amended; (ii) assists in the implementation of the national
189 contingency plan or area contingency plan, and which is created in
190 response to the requirements of Title IV, Subtitle B of the Oil
191 Pollution Act of 1990, Public Law 101-380; (iii) engages primarily



192 in programs to contain, clean up and otherwise mitigate spills of
193 oil or other substances occurring in the United States coastal or
194 tidal waters; and (iv) is used for the purposes of the
195 organization.

196 (gg) If a municipality changes its boundaries so as to
197 include within the boundaries of such municipality the project
198 site of any project as defined in Section 57-75-5(f)(iv)1, Section
199 57-75-5(f)(xxi) or Section 57-75-5(f)(xxviii) or Section
200 57-75-5(f)(xxix), all real and personal property located on the
201 project site within the boundaries of such municipality that is
202 owned by a business enterprise operating such project, shall be
203 exempt from ad valorem taxation for a period of time not to exceed
204 thirty (30) years upon receiving approval for such exemption by
205 the Mississippi Major Economic Impact Authority. The provisions
206 of this paragraph shall not be construed to authorize a breach of
207 any agreement entered into pursuant to Section 21-1-59.

208 (hh) All leases, lease contracts or lease agreements
209 (including, but not limited to, subleases, sublease contracts and
210 sublease agreements), and leaseholds or leasehold interests
211 (including, but not limited to, subleaseholds and subleasehold
212 interests), of or with respect to any and all property (real,
213 personal or mixed) constituting all or any part of a facility for
214 the manufacture, production, generation, transmission and/or
215 distribution of electricity, and any real property related
216 thereto, shall be exempt from ad valorem taxation during the



217 period as the United States is both the title owner of the
218 property and a sublessee of or with respect to the property;
219 however, the exemption authorized by this paragraph (hh) shall not
220 apply to any entity to whom the United States sub-subleases its
221 interest in the property nor to any entity to whom the United
222 States assigns its sublease interest in the property. As used in
223 this paragraph, the term "United States" includes an agency or
224 instrumentality of the United States of America. This paragraph
225 (hh) shall apply to all assessments for ad valorem taxation for
226 the 2003 calendar year and each calendar year thereafter.

227 (ii) All property, real, personal or mixed, including
228 fixtures and leaseholds, used by Mississippi nonprofit entities
229 qualified, on or before January 1, 2005, under Section 501(c)(3)
230 of the Internal Revenue Code to provide support and operate
231 technology incubators for research and development startup
232 companies, telecommunication startup companies and/or other
233 technology startup companies, utilizing technology spun-off from
234 research and development activities of the public colleges and
235 universities of this state, State of Mississippi governmental
236 research or development activities resulting therefrom located
237 within the State of Mississippi.

238 (jj) All property, real, personal or mixed, including
239 fixtures and leaseholds, of startup companies (as described in
240 paragraph (ii) of this section) for the period of time, not to
241 exceed five (5) years, that the startup company remains a tenant



242 of a technology incubator (as described in paragraph (ii) of this
243 section).

244 (kk) All leases, lease contracts or lease agreements
245 (including, but not limited to, subleases, sublease contracts and
246 sublease agreements), and leaseholds or leasehold interests, of or
247 with respect to any and all property (real, personal or mixed)
248 constituting all or any part of an auxiliary facility, and any
249 real property related thereto, constructed or renovated pursuant
250 to Section 37-101-41, Mississippi Code of 1972.

251 (ll) Equipment brought into the state temporarily for
252 use during a disaster response period as provided in Sections
253 27-113-1 through 27-113-9 and subsequently removed from the state
254 on or before the end of the disaster response period as defined in
255 Section 27-113-5.

256 (mm) For any lease or contractual arrangement to which
257 the Department of Finance and Administration and a nonprofit
258 corporation are a party to as provided in Section 39-25-1(5), the
259 nonprofit corporation shall, along with the possessory and
260 leasehold interests and/or real and personal property of the
261 corporation, be exempt from all ad valorem taxation, including,
262 but not limited to, school, city and county ad valorem taxes, for
263 the term or period of time stated in the lease or contractual
264 arrangement.

265 (nn) All property, real or personal, that is owned,
266 operated and managed by a not-for-profit corporation qualified under



267 Section 501(c)(3) of the Internal Revenue Code, and used to provide,
268 free of charge, (i) a practice facility for a public school district
269 swim team, and (ii) a facility for another not-for-profit
270 organization as defined under Section 501(c)(3) of the Internal
271 Revenue Code to conduct water safety and lifeguard training programs.
272 This section shall not apply to real or personal property owned by a
273 country club, tennis club with a pool, or any club requiring stock
274 ownership for membership.

275 (oo) All real property located in an area annexed by a
276 municipality shall be exempt from all municipal ad valorem taxes
277 for a period of twelve (12) months after the date of annexation.

278 **SECTION 2.** Section 27-51-41, Mississippi Code of 1972, is
279 amended as follows:

280 27-51-41. (1) The exemptions from the provisions of this
281 chapter shall be confined to those persons or property exempted by
282 this chapter or by the provisions of the Constitution of the
283 United States or the State of Mississippi. No exemption as now
284 provided by any other statute shall be valid as against the tax
285 levied by this chapter. Any subsequent exemption from the tax
286 levied hereunder shall be provided by amendment to this section
287 which shall be inserted in the bill at length.

288 (2) The following shall be exempt from ad valorem taxation:

289 (a) All motor vehicles, as defined in this chapter, and
290 including motor-propelled farm implements and vehicles, while in



291 the hands of bona fide dealers as merchandise and which are not
292 being operated upon the highways of this state.

293 (b) All motor vehicles belonging to the federal
294 government or the State of Mississippi or any agencies or
295 instrumentalities thereof.

296 (c) All motor vehicles owned by any school district in
297 the state.

298 (d) All motor vehicles owned by any fire protection
299 district incorporated in accordance with Sections 19-5-151 through
300 19-5-207 or by any fire protection grading district incorporated
301 in accordance with Sections 19-5-215 through 19-5-241.

302 (e) All motor vehicles owned by units of the
303 Mississippi National Guard.

304 (f) All motor vehicles which are exempted from highway
305 privilege taxes under Section 27-19-1 et seq.

306 (g) All motor vehicles operated in this state as common
307 and contract carriers of property, private commercial carriers of
308 property, private carriers of property and buses, all of which
309 have a gross weight in excess of ten thousand (10,000) pounds.

310 (h) Antique automobiles as defined in Section 27-19-47,
311 and antique pickup trucks as provided for under Section
312 27-19-47.2, Mississippi Code of 1972.

313 (i) Street rods as defined in Section 27-19-56.6.

314 (j) (i) Two (2) motor vehicles owned by a disabled
315 American veteran, or by the spouse of a deceased disabled American



316 veteran, who is entitled to purchase a distinctive license plate
317 or tag in accordance with Section 27-19-53, regardless of the
318 license plate or tag issued to the disabled American veteran or
319 the veteran's spouse if the disabled American veteran is deceased.

320 (ii) One (1) motorcycle owned by a disabled
321 American veteran, or by the spouse of a deceased disabled American
322 veteran, who is entitled to purchase a distinctive license plate
323 or tag in accordance with Section 27-19-53, regardless of the
324 license plate or tag issued to the disabled American veteran or
325 the veteran's spouse if the disabled American veteran is deceased.

326 (k) One (1) motor vehicle owned by the unremarried
327 surviving spouse of a member of the Armed Forces of the United
328 States who, while on active duty, is killed or dies and one (1)
329 motor vehicle owned by the unremarried surviving spouse of a
330 member of a reserve component of the Armed Forces of the United
331 States or of the National Guard who, while on active duty for
332 training, is killed or dies.

333 (l) Motor vehicles owned by recipients of the
334 Congressional Medal of Honor or by former prisoners of war, or by
335 spouses of such deceased persons, in accordance with Section
336 27-19-54.

337 (m) (i) One (1) private carrier of passengers, as
338 defined in Section 27-19-3, owned by any religious society,
339 ecclesiastical body or any congregation thereof which is used
340 exclusively for such society and not for profit.



341 (ii) All motor vehicles owned by any such
342 religious society or any educational institution having a seating
343 capacity greater than seven (7) passengers and used exclusively
344 for transporting passengers for religious or educational purposes
345 and not for profit.

346 (n) All motor vehicles primarily used as rentals under
347 rental agreements with a term of not more than thirty (30)
348 continuous days each and under the control of persons who are
349 engaged in the business of renting such motor vehicles and who are
350 subject to the tax under Section 27-65-231.

351 (o) Antique motorcycles as defined in Section
352 27-19-47.1.

353 (p) One (1) motor vehicle owned by a recipient of the
354 Purple Heart, and one (1) motor vehicle owned by the unremarried
355 surviving spouse of a recipient of the Purple Heart, as provided
356 in Section 27-19-56.5.

357 (q) Motor vehicles that are eligible to display an
358 authentic historical license plate as provided for in Section
359 27-19-56.11.

360 (r) Motor vehicles that are (i) designed or adapted to
361 be used exclusively in the preparation and loading of chemicals or
362 other material for aerial agricultural application to crops; and
363 (ii) only incidentally used on public roadways in this state.

364 (s) One (1) motor vehicle owned by the mother of a
365 service member who died while serving on active duty in the Armed



366 Forces of the United States while the United States was engaged in
367 hostile activities or a time of war after September 11, 2001, as
368 provided for in Section 27-19-56.162 or Section 27-19-56.524(5).

369 (t) One (1) motor vehicle owned by the unremarried
370 spouse of a service member who died while serving on active duty
371 in the Armed Forces of the United States while the United States
372 was engaged in hostile activities or a time of war after September
373 11, 2001, as provided for in Section 27-19-56.162 or Section
374 27-19-56.524(5).

375 (u) Buses and other motor vehicles that are (a) owned
376 and operated by an entity that has entered into a contract with a
377 school board under Section 37-41-31 for the purpose of
378 transporting students to and from schools and (b) used by the
379 entity for such transportation purposes. This paragraph (u) shall
380 apply to contracts entered into or renewed on or after July 1,
381 2010.

382 (v) One (1) motor vehicle owned by a recipient of the
383 Silver Star, and one (1) motor vehicle owned by the unremarried
384 surviving spouse of a recipient of the Silver Star, as provided in
385 Section 27-19-56.284.

386 (w) One (1) motor vehicle owned by a person who is a
387 law enforcement officer and who (i) was wounded or otherwise
388 received intentional or accidental bodily injury, regardless of
389 whether occurring before or after July 1, 2014, while engaged in
390 the performance of his official duties, provided the wound or



391 injury was not self-inflicted, (ii) was required to receive
392 medical treatment for the wound or injury due to the nature and
393 extent of the wound or injury, and (iii) is eligible to receive a
394 special license plate or tag under Section 27-19-56 as a result of
395 such wound or injury, regardless of whether the person obtains
396 such a plate or tag. Application for the exemption provided in
397 this paragraph (w) may be made at the time of initial registration
398 of a vehicle and renewal of registration. In addition, an
399 applicant for the exemption must provide official written
400 documentation that (i) the applicant is a law enforcement officer
401 who was wounded or otherwise received intentional or accidental
402 bodily injury while engaged in the performance of his official
403 duties and that the wound or injury was not self-inflicted along
404 with official written documentation verifying receipt of medical
405 treatment for the wound or injury and the nature and extent of the
406 wound or injury, and (ii) the applicant is eligible to receive a
407 special license plate or tag under Section 27-19-56 as a result of
408 such wound or injury, regardless of whether the person obtains
409 such a plate or tag.

410 (x) One (1) motor vehicle owned by an honorably
411 discharged veteran of the Armed Forces of the United States who
412 served during World War II, and one (1) motor vehicle owned by the
413 unremarried surviving spouse of such veteran, as provided in
414 Section 27-19-56.438.



415 (y) All motor vehicles registered to an address in an
416 area annexed by a municipality shall be exempt from all municipal
417 ad valorem taxes for a period of twelve (12) months after the date
418 of annexation.

419 (3) Any claim for tax exemption by authority of the
420 above-mentioned code sections or by any other legal authority
421 shall be set out in the application for the road and bridge
422 privilege license, and the specific legal authority for such tax
423 exemption claim shall be cited in said application, and such
424 authority cited shall be shown by the tax collector on the tax
425 receipt as his authority for not collecting such ad valorem taxes,
426 and the tax collector shall carry forward such information in his
427 tax collection reports.

428 (4) Any motor vehicle driven over the highways of this state
429 to the extent that the owner of such motor vehicle is required to
430 purchase a road and bridge privilege license in this state, yet
431 the legal situs of such motor vehicle is located in another state,
432 shall be exempt from ad valorem taxes authorized by this chapter.

433 (5) If a taxpayer shall sell, trade or otherwise dispose of
434 a vehicle on which the ad valorem and road and bridge privilege
435 taxes have been paid in any county in the state, he shall remove
436 the license plate from the vehicle. Such license plate must be
437 surrendered to the issuing authority with the corresponding tax
438 receipt, if required, and credit shall be allowed for the taxes
439 paid for the remaining tax year on like privilege or ad valorem



440 taxes due on another vehicle owned by the seller or transferor or
441 by the seller's or transferor's spouse or dependent child. If the
442 seller or transferor does not elect to receive such credit at the
443 time the license plate is surrendered, the issuing authority shall
444 issue a certificate of credit to the seller or transferor, or to
445 the seller's or transferor's spouse or dependent child, or to any
446 other person, business or corporation, at the direction of the
447 seller or transferor, for the remaining unexpired taxes prorated
448 from the first day of the month following the month in which the
449 license plate is surrendered. The total of such credit may be
450 used by the person or entity to whom the certificate of credit is
451 issued, regardless of the relative amounts attributed to privilege
452 taxes or to county, school or municipal ad valorem taxes. Any
453 credit allowed for taxes due or any certificate of credit issued
454 may be applied to like taxes owed in any county by the person to
455 whom the credit is allowed or by the person possessing the
456 certificate of credit. No credit, however, shall be allowed on
457 the charge made for the license plate. Such license plates
458 surrendered to the tax collector shall be retained by him, and in
459 no event shall such license plate be attached to any vehicle after
460 being surrendered to the tax collector, nor shall any license
461 plate be transferred from one (1) vehicle to any other vehicle.

462 (6) If the person owning a vehicle subject to taxation under
463 the provisions of this chapter does not operate such vehicle on
464 the highways of this state from the date of acquisition or, if



465 previously registered, from the end of the anniversary month of
466 the tag and decals to the date on which he makes application for a
467 current license tag or decals, he shall pay such ad valorem tax
468 for a period of twelve (12) months beginning with the first day of
469 the month in which he applies for a current license tag or decals
470 under Chapter 19, Title 27, Mississippi Code of 1972. The owner
471 shall submit an affidavit with an application attesting to the
472 fact that the vehicle was not operated on the highways of this
473 state from the date of acquisition or, if previously registered,
474 from the end of the anniversary month of the tag and decals to the
475 date on which he makes application for the current license tag or
476 decals.

477 (7) Any person found violating any of the provisions of this
478 section shall be arrested and tried, and if found guilty shall be
479 fined in an amount double the total amount of taxes involved.

480 **SECTION 3.** This act shall take effect and be in force from
481 and after January 1, 2022.

